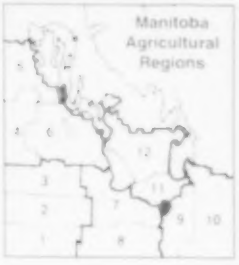
Manitoba
Agriculture
and Food

PROGRAM & POLICY ANALYSIS

Agriculture Statistics



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SUBJECT: **FARM INCOME SITUATION (2003)[P]**

MANITOBA HIGHLIGHTS

Situation 2003:

- According to preliminary estimates released by Agriculture and Agri-Food Canada, Manitoba **farm cash receipts** in 2003 could decrease to $3.57 billion, down by about 6.8 percent from the record $3.83 billion in 2002.
- **Receipts from livestock** production could decline by 8.5 percent from $1.72 billion in 2002 to about $1.58 billion in 2003, due mainly to lower cattle sales and prices.
- Lower prices for almost all crops in 2003 offset increased sales of crops, such as canola, oats, soybeans, potatoes and sunflower seed, to depress **crop receipts** by 10.3 percent to $1.69 billion from the record $1.88 billion in 2002.
- Crop insurance and NISA payments were up in 2003, but payments under the Canada Farm Income Program could be less than half the level in 2002. However, payments under the Federal Transition Funding, the Federal-Provincial BSE Recovery Program, the Manitoba Slaughter Deficiency Program, the Manitoba BSE Feeder Assistance Program, Manitoba Drought Assistance and the Cull Animal Program could amount to close to $100 million in 2003. As a result, total **direct payments** to Manitoba farmers could increase by 37.5 percent to $301.1 million in 2003.
- **Farm operating expenses** for 2003 have increased to $3.06 billion, 4.6 percent above the 2002 level, while depreciation could be similar to the 2002 level. Manitoba farmers experienced large increases in the cost of heating and machinery fuel, fertilizer and commercial seed in 2003 as well as smaller increases in some other expenses, such as rent, wages, repairs and insurance premiums.
- In 2003, **net farm cash income** could fall by an estimated 43.8 percent to $504.5 million, the lowest value since 1995.
- **Realized net income** could drop 77.7 percent to $113.1 million in 2003, the lowest level since 1991.
- A larger inventory of crops and livestock on farms at the end of 2003 compared to a year earlier contributed to the significant increase in the value of inventory change, which raised **total net income** in 2003 by 6.3 percent to $517.6 million. The average total net income per farm was about $24,700 in 2003 compared to the 2002 average of $23,200.

SOURCE: Agriculture & Agri-Food Canada.

PROGRAM & POLICY ANALYSIS BRANCH
MARKET ANALYSIS & STATISTICS SECTION
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January 29, 2004

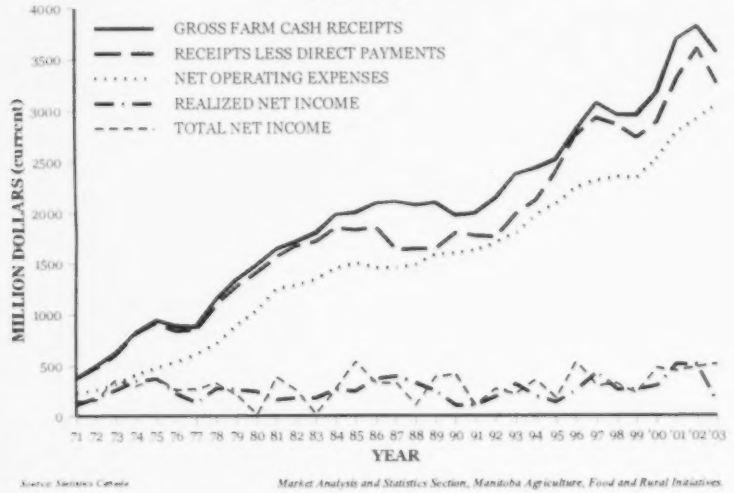
TABLE 1: FARM INCOME SUMMARY, MANITOBA, 2001-2003*

	1999	2000	2001[R]	2002[R]	2003[P]	03/02
	- million of dollars -					%
Crop Receipts	1,415	1,318	1,519	1,884	1,690	90
Livestock Receipts	1,329	1,569	1,796	1,723	1,576	91
Market Receipts	2,744	2,887	3,315	3,607	3,266	91
Total Payments[1]	216	287	382	219	301	137
Total Cash Receipts	**2,959**	**3,174**	**3,697**	**3,826**	**3,567**	**93**
Net Operating Expenses	**2,345**	**2,531**	**2,790**	**2,928**	**3,062**	**105**
Net Cash Income	**614**	**643**	**907**	**898**	**504**	**56**
Income-In-Kind	10	9	8	8	8	100
Depreciation Charges	361	357	398	399	399	100
Realized Net Income	**263**	**296**	**517**	**508**	**113**	**22**
Value of Inventory Change	-36	183	-67	-21	405	-
TOTAL NET INCOME	**227**	**478**	**451**	**487**	**518**	**106**

* Totals may not add due to rounding. [R] Revised [P] Preliminary

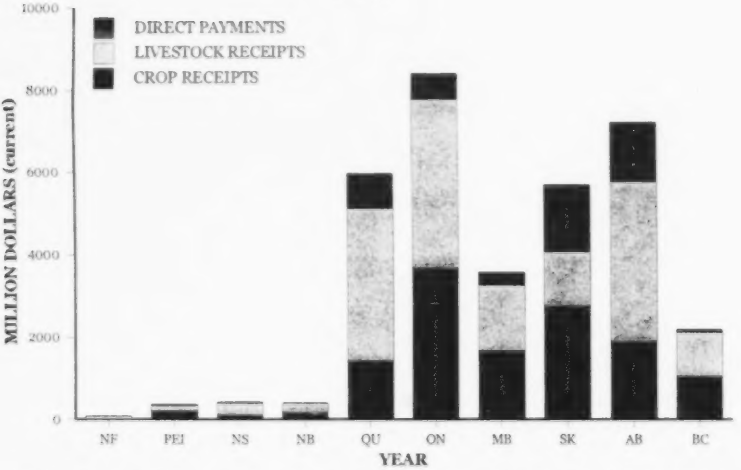
[1] Includes gross payments directly paid to producers under Crop Insurance including private hail insurance, Dairy Subsidy, NISA and ad-hoc income support programs including Canada Farm Income Program, Canada/Manitoba Adjustment Program, AIDA, Federal Transition Funding and BSE and Drought Assistance Programs. Program premiums paid by producers are included in operating expenses.

FARM INCOME AND EXPENSES
1971-2003



Source: Statistics Canada Market Analysis and Statistics Section, Manitoba Agriculture, Food and Rural Initiatives.

FARM CASH RECEIPTS BY PROVINCE
2003



Source: Statistics Canada, AAFC Market Analysis and Statistics Section, Manitoba Agriculture, Food and Rural Initiatives.

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TABLE 2: FARM INCOME SUMMARY, PROVINCES, 2001-2003

	2001[R]	2002[R]	2003[P]	03/02
	million dollars			%
SASKATCHEWAN				
Crop Receipts	3,786	3,626	2,768	76
Livestock Receipts	1,691	1,727	1,303	75
Market Receipts	5,477	5,353	4,071	76
Total Payments[1]	1,020	1,004	1,611	160
Total Cash Receipts	**6,496**	**6,356**	**5,682**	**89**
Net Operating Expenses	4,748	4,821	5,184	108
Net Cash Income	1,748	1,535	498	32
Realized Net Income	815	607	-465	-
Total Net Income	**181**	**-30**	**407**	-
ALBERTA				
Crop Receipts	2,291	2,169	1,925	89
Livestock Receipts	5,266	5,120	3,820	75
Market Receipts	7,557	7,289	5,745	79
Total Payments[1]	819	1,039	1,470	141
Total Cash Receipts	**8,376**	**8,328**	**7,215**	**87**
Net Operating Expenses	6,442	6,238	6,321	101
Net Cash Income	1,934	2,090	894	43
Realized Net Income	829	976	-230	-
Total Net Income	**562**	**-100**	**648**	-
BRITISH COLUMBIA				
Crop Receipts	992	1,072	1,068	100
Livestock Receipts	1,171	1,129	1,062	94
Market Receipts	2,163	2,201	2,130	97
Total Payments[1]	60	31	54	174
Total Cash Receipts	**2,223**	**2,232**	**2,184**	**98**
Net Operating Expenses	1,770	1,876	1,893	101
Net Cash Income	453	356	291	82
Realized Net Income	230	105	43	41
Total Net Income	**249**	**119**	**60**	**50**
ONTARIO				
Crop Receipts	3,236	3,572	3,692	103
Livestock Receipts	4,522	4,272	4,094	96
Market Receipts	7,758	7,844	7,786	99
Total Payments[1]	777	623	609	98
Total Cash Receipts	**8,535**	**8,467**	**8,395**	**99**
Net Operating Expenses	6,966	7,257	7,358	101
Net Cash Income	1,570	1,211	1,038	86
Realized Net Income	557	115	-44	-
Total Net Income	**451**	**249**	**138**	**55**
QUEBEC				
Crop Receipts	1,272	1,446	1,458	101
Livestock Receipts	3,857	3,633	3,648	100
Market Receipts	5,129	5,079	5,106	101
Total Payments[1]	624	468	851	182
Total Cash Receipts	**5,753**	**5,547**	**5,957**	**107**
Net Operating Expenses	4,470	4,601	4,834	105
Net Cash Income	1,283	947	1,123	119
Realized Net Income	758	398	552	139
Total Net Income	**846**	**420**	**665**	**158**
CANADA				
Crop Receipts	13,576	14,357	13,189	92
Livestock Receipts	18,987	18,244	16,140	88
Market Receipts	32,563	32,601	29,329	90
Total Payments[1]	3,766	3,429	4,952	144
Total Cash Receipts	**36,329**	**36,029**	**34,281**	**95**
Net Operating Expenses	28,240	28,826	29,781	103
Net Cash Income	8,089	7,203	4,499	62
Realized Net Income	3,772	2,745	-13	-
Total Net Income	**2,734**	**1,273**	**2,449**	**192**

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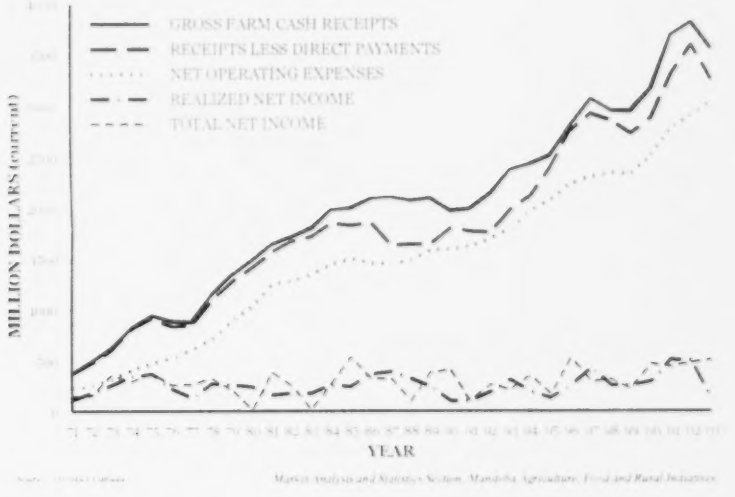

Market Analysis and Statistics Section, Manitoba Agriculture, Food and Rural Initiatives

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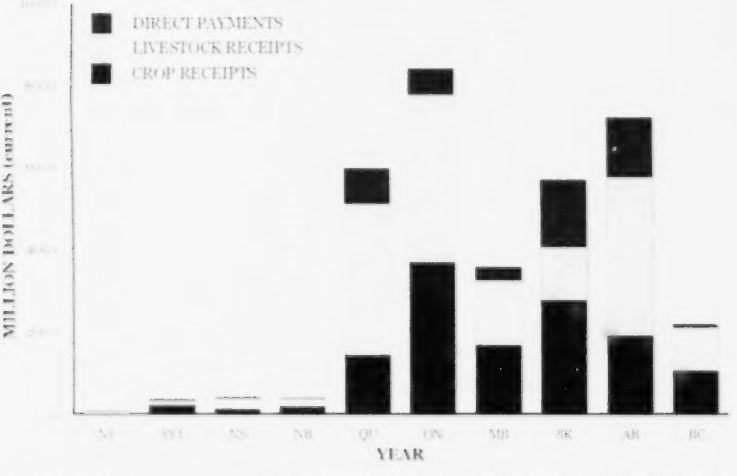

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